

THINGS TO REMEMBER WHEN YOU ADVERTISE

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DO

include your license number in anything
that might be considered advertising.

DON'T

use false or misleading advertising,
or advertise a price you don't intend
to honor.

DON'T

advertise to do work you're not
licensed to do.

DON'T

advertise about bonding.

DO

include your certification and
registration numbers and the correct
name of your business when you
advertise asbestos removal services.

DO

notify CSLB whenever
you see advertising for an
unlicensed contractor.

ADVERTISING—WHAT IS IT?

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You already know about advertising in newspapers
and on radio and television, but for licensed contrac-
tors advertising is more than that. It's also:

- ▲ your business card;
- ▲ any contract proposal;
- ▲ lettering on your trucks and other vehicles;
- ▲ any sign or billboard identifying you or your
company as a contractor;
- ▲ any soliciting brochure, pamphlet or circular you
or anyone else posts or distributes; and
- ▲ any directory or listing that states or implies you
are a contractor requesting or looking for the kind
of work that requires a contractor's license under
the Contractors License Law.

These specifications are in Rule 861 of the CSLB
Rules and Regulations. They define what Business
and Professions (B&P) Code section 7030.5 means
when it says that licensed contractors are required to
include their license numbers in "(a) all construction
contracts; (b) subcontracts and calls for bid; and (c) all
forms of advertising, as prescribed by the registrar of
contractors." The fine for not complying with this
requirement is between \$50 and \$100 for a first
offense.

Plumbing, electrical sign, and well-drilling contractors
must display their permanent business addresses and
contractor's license numbers on both sides of every
business vehicle in letters at least 1 1/2 inches high
(B&P section 7029.5). Contractors engaged in
interstate contracting can ask the CSLB Registrar for
an exemption from the requirement to put their
California contractor's license number on trucks and
vehicles.

Ads without license numbers or with numbers that are
not issued by the CSLB are frequently used by the
Board's Unlicensed Activity Units to identify the
targets of stings, because these ads are usually placed
by unlicensed contractors.

FALSE ADVERTISING

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It is a misdemeanor to use false, misleading or
deceptive advertising to induce clients to enter into
home improvement or other improvement contracts
(B&P section 7161). It is also illegal to include in
an ad for home or other improvements any false or
misleading assertions or price representations you
don't intend to accept contracts for. (Ads subject to
and in compliance with Federal Trade Commission
rules and regulations shall not be deemed false,
deceptive or misleading.)

LEGAL ADVERTISING BY UNLICENSED CONTRACTORS

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Unlicensed contractors can legally advertise for
construction work or work of improvement under
B&P section 7027.2, but only if the cost of the
work does not exceed \$500, they state in the ad
they are *not* licensed under California law, and they
provide to the purchaser a written disclosure stating
they are not licensed. B&P section 7048 specifies
the disclosure language.

WHAT NOT TO INCLUDE IN YOUR ADVERTISING

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Contractors are forbidden by law (B&P section
7071.13) from putting in their "advertising,
soliciting or other presentments to the public," the
fact that they are bonded. Such a statement could
lead the public to believe there is a higher level of
protection provided to them by the bonding
procedure than might be the case. This provision
is designed to prevent such misunderstandings.

*For more information, call toll-free
(800) 321-CSLB (2752); contact our
website, www.cslb.ca.gov; or write to
the Contractors State License Board,
P.O. Box 26000, Sacramento, CA 95826.*



ADVERTISING FOR ASBESTOS REMOVAL

Ads soliciting to remove asbestos from buildings or structures have to include the name the contractor is registered under and two special numbers: (1) the certification number issued at the time of certification; and (2) the registration number required under Labor Code section 6501.5 for anyone doing asbestos work (B&P section 7099.11). Failure to include these numbers will result in a notice to comply with this requirement from the Registrar. Failure to comply with this notice, or advertising to remove asbestos without being properly certified and registered, will result in a citation and potential fine of \$50 to \$100.

ILLEGAL ADVERTISING

Like legitimate contractors, unlicensed contractors sometimes use advertising to find new clients. The CSLB and other enforcement agencies use two sections of the law—B&P sections 7027.1 and 7099.10—to take legal action against unlicensed contractors and, on occasion, against licensed contractors advertising illegally.

Suppose an unlicensed contractor distributes circulars in a neighborhood offering to help with repairs or improvements. Circulars like this are advertising, and section 7027.1 makes it a violation for anyone without a valid contractor's license to advertise for "construction or work of improvement." A copy of that circular, once found in a neighborhood or other location where it can reasonably be construed as an offer to do "construction or work of improvement," can be valuable evidence in making a case against an unlicensed contractor. This provision applies even if the work performed by the unlicensed contractor costs less than \$500, because the violation is in the act of advertising, not in the act of actually performing the work.

THE YELLOW PAGES

If an unlicensed contractor advertises as a contractor in a directory such as the Yellow Pages, and if an investigation determines the entity doing the advertising is unlicensed, under B&P section 7099.10 (a) the Registrar can issue a citation providing for a fine or other civil penalty assessment. The citation will also include an order of correction requiring the violator (1) to cease the unlawful advertising and (2) to tell the telephone company to disconnect service to any phone number in the unlawful ad and not to refer any subsequent calls to that number to any new number obtained by that person. If the order of correction isn't complied with, the Registrar can have the Public Utilities Commission disconnect the phone service.

Section 7027.1 also prohibits licensed contractors from advertising for construction work outside of areas for which they are licensed. For example, a masonry contractor who advertises to do electrical work can be charged with a misdemeanor—unless he or she also has a C-10 license. (An exception to this provision permits licensed "A" and "B" contractors to advertise as general contractors.)

The fine for the advertising violations in section 7027.1 is between \$700 and \$1,000, plus any other punishment established by the Registrar or a court.

Finally, B&P section 7027 prevents owner-builders and others exempted from the licensing provisions of the Contractors License Law from advertising illegally. If they employ any sign, card, classified ad, directory or other device to specify or imply to the public that they are contractors or are looking to do "construction or work of improvement," such advertising will make them subject to the same legal provisions as licensed contractors.

CONTRACTORS STATE LICENSE BOARD
P.O. Box 26000, Sacramento, CA 95826
1-800-321-CSLB (2752) www.cslb.ca.gov

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ADVERTISING DO'S & DON'TS

for Contractors

